CHRC

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California Energy Commission
Docket Office
Attn: Docket 02-IEP-01
1516 Ninth St., MS-4
Sacramento, California 95814-5512

Via electronic mail: docket@energy.state.ca.us

RE: CHRC Comments on Staff Draft, 2003 Environmental Performance Report

Enclosed please find comments submitted on behalf of the California Hydropower Reform Coalition (CHRC) on the California Energy Commission (CEC) Staff Draft 2003 Environmental Performance Report (EPR). The CHRC is a coalition of conservation, sportfishing and recreation organizations working to ensure California hydropower is operated in a manner that protects water quality, fish and wildlife habitat, and recreational opportunities. Our members actively participate in over 20 federal relicensing proceedings. Through intervention in relicensing and participation in other proceedings before the CEC, California Public Utilities Commission, US Bankruptcy Court, and other forums, the CHRC has accumulated substantial expertise on the impact of hydropower production on California's rivers. We thank the Commission for the opportunity to review the EPR and hope that our input is helpful.

The Environmental Performance Report has the ambitious goal of providing the legislature and planners with a comprehensive overview of the environmental performance of the state's electricity sector, considering a broad range of ecological and social considerations. Additionally, unlike 2001's stand-alone report, this year's EPR will appear in final form as an integrated part of the Integrated Energy Policy Report (IEPR), which includes projections of electricity supply, demand, and prices, and makes policy recommendations. We applaud the Commission for pursuing these planning objectives in an integrated manner, and strongly believe that better energy planning decisions will result. However, as noted in the conclusions of the Staff Draft EPR, which is just a subsection of the IEPR: complexity and lack of data make meaningful integration and conclusions across generation sectors nearly impossible at this time. Nevertheless, CHRC firmly believes that incremental progress can and should be made with existing information, resources can be focused on the critical data gaps and uncertainties, and policy recommendations can be crafted in light of existing information that address risk and uncertainty.

The staff draft EPR does an admirable job enumerating the significant ecological affects of hydropower production, particularly in the biological resources and water quality sections. The challenge is moving beyond encyclopedic treatment of impacts to affirmative recommendations and conclusions in the report. In that respect, the staff draft falls short. For example, in noting

the complexity of tradeoffs between resource impacts, the EPR states, "[i]mpacts to aquatic ecosystems continue to be the most difficult to understand scientifically, and the most difficult to alleviate." (pp. vii-viii). Yet the draft EPR and other parties before this Commission[1] have cited the FERC relicensing process with great optimism as a means for understanding and addressing specific hydropower impacts. The challenge for the EPR and the IEPR should be to ensure the state to obtains the information and staff resources it needs to achieve its environmental performance goals for the hydro sector, through relicensing or other[2] proceedings, and to situate the piecemeal (and federally-driven) relicensing process in a cumulative, statewide context over a longer term planning horizon.

Specific Comments

Page 56, Figure III-15 (Acreage, Capacity, and Number of Acres per Megawatt by Type of Power Facility for 2002). Also page 111, Table Table IV-2 (Approximate Land Acreages Converted By California Power Generation Facility Sites (1996 & 2002)). These graphs and the accompanying text convey some ambiguity about the appropriate basis for determining the acreage footprint of the state's hydropower system, referencing acreage with and without reservoirs. As discussed elsewhere in the report, the impacts of hydropower facilities indeed include the reservoir, which floods river and riparian habitat, and extends downstream from the project to the extent river hydrology is altered. For example, most hydro projects in California divert the majority of summer flow out of the streambed, substantially dewatering hundreds of miles of rivers and streams. Additionally hydropower dams have contributed to the blockage of 95% of historic salmon and steelhead habitat, another "footprint" type impact that stretches upstream from the project. Quantifying these impacts would be a relatively straightforward exercise with existing data and GIS software. Preparing such an analysis would be in line with the purposes of the Environmental Performance Report, and would be a substantial contribution to state agencies' and the public's understanding of the cumulative effect of California's hydropower system.

Page 65, Box: "Consensus Difficult to Reach in Hydropower Restoration/Conservation Efforts." We note that the title and conclusion of this box are unnecessarily pessimistic. Although the Trinity River project has indeed been stalled in litigation, the other three examples could be used to reach the opposite conclusion. Collaborative discussions on the Klamath project are proceeding according to schedule, which is remarkable considering the controversy in that basin. While the Rock Creek Cresta and Mokelumne licenses were delayed for years, collaborative settlement negotiations were successfully concluded within 18 months of their earnest commencement. The mitigation measures for both licenses were far reaching and precedent-setting.

Page 66, Indicator and Finding. A more appropriate and specific finding would include the need for agency funding to participate in relicensing proceedings to pursue state resource objectives. A new and specific role for the Energy Commission in relicensing would be to provide independent modeling of energy impacts of various flow proposals. Furthermore, as discussed

[1] June 5, 2003, IEPR Committee Workshop - Hydropower System - Energy and Environment. Workpapers and presentations available at http://www.energy.ca.gov/energypolicy/documents/#06-05-2003.

[2] For example, California Public Utilities Commission proceeding I.03-03-015 considers rate of return incentives for utilities with sound environmental performance, and I.02-04-026, the proposed settlement of the PG&E's bankruptcy proceeding, contemplates protecting and enhancing 140,000 acres of utility landholdings.

above, the EPR and IEPR should project the cumulative impact on energy supply as relicensings occur through the planning horizon. Mitigating the affects of hydropower can affect a project's energy output by 1.5-10%. Forecasting the cumulative effect would inform agencies, utilities, and the public about energy and resource trade-offs. No other entity has the expertise or mandate for such a forecast.

Page 84, Water Quality findings: "Hydroelectric facilities can cause permanent alterations to stream flows, raise water temperatures, alter dissolved oxygen levels, and cause changes to the aquatic environment." This finding should be revised to reflect the opportunity to mitigate the cited impacts through upcoming relicensing proceedings and other means. We further note that the space allotted to discussion of water supply and water quality impacts of thermal generation is probably not proportional to the relative impacts of that technology, compared to hydropower.

Pages 105, 119. Despite a specific recommendation in the 2001 report,[3] the cultural and socioeconomic impact sections do not include hydropower. This is an oversight given the broad geographic distribution of the state's 300 hydroelectric dams and their historic and continuing relationship to Native Americans, rural communities, sport and commercial fishing industries, and recreational opportunities. We suggest the report explore hydro's unique set of socioeconomic impacts, particularly on rural communities, perhaps with case studies. Without these, no conclusions can be drawn about hydro's significant socioeconomic impacts in California (see, for example, the US Forest Service's Sierra Nevada Ecosystem Project, 1997).

Thank you for the opportunity to comment on this document. If you need more information, or have any questions, please feel free to contact me at (510) 644-2900, ext. 105.

Sincerely,

Stephen Wald, Director
On behalf of
California Hydropower Reform Coalition

[3] "The socioeconomic impact assessment in this initial report focused on the older fossil-fueled facilities. The next report should also assess the impacts from hydroelectric facilities, particularly those in rural counties.", Environmental Performance Report of California's Electric Generation Facilities, July, 2001. p. 73 (P700-01-001).